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SIPDIS

SENSITIVE

PLEASE PASS USTR FOR LAURIE-ANNE AGAMA

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [PREL](#) [KDEM](#) [GH](#) [PROV](#) [WTRO](#)

SUBJECT: OPPORTUNITY MISSED: GHANA UNLIKELY TO BACK U.S.
WTO AGRICULTURE PROPOSAL

REF: A. ACCRA 2484

[1](#)B. STATE 204611

[1](#)1. (U) Summary: Ambassador Bridgewater met with Minister of Trade and Industry Alan Kyerematen December 7 to discuss the upcoming WTO ministerial in Hong Kong. Kyerematen confirmed Ghana's intention to negotiate as a bloc with other African Union (AU) WTO members --despite serious differences within the AU and between the G-90 and G-20 groups of nations-- and reiterated the AU's calls for an end to export subsidies in developed countries, elimination of trade-distorting domestic support, and maintenance of tariff preferences for African countries. The Minister said the GoG and AU hoped the US and EU would harmonize their agriculture proposals, but would not openly favor either. Kyerematen also said he anticipated that expectations will be lowered for Hong Kong in order to avoid the appearance of failure. Ambassador Bridgewater stated that failure to support the ambitious US agriculture proposal would be a lost opportunity for developing nations, and African countries in particular. End Summary.

[1](#)2. (U) Ambassador delivered ref b points on the US WTO Agriculture proposal to Minister of Trade and Industry Alan Kyerematen December 7, and asked for details of the GoG's position. Kyerematen said the GoG would negotiate in Hong Kong as part of bloc with other AU members. The groups' positions for Hong Kong, he said, would be almost identical to those it took during the formation of the "July Package" (ref a). The Minister went on to say that meetings of the G-90 and ACP in Europe had been unable to reach consensus because of disagreements over several issues, mainly related to "tariff preference erosion," with AU countries taking the position that extending AGOA-like benefits to non-African G-90 and G-20 countries would disadvantage AU countries.

[1](#)3. (U) Kyerematen declined to support either the US or EU agriculture proposals. He said success in Hong Kong would be contingent upon "greater convergence" of the US and EU agriculture proposals, consensus among G-20 and G-90 countries, and "better management" of the Ministerial to ensure "transparency, inclusiveness, and balance." He concluded by saying he anticipated that expectations for Hong Kong will be lowered to keep the meeting from being portrayed as a failure, and to lay the groundwork for more meaningful negotiations before the end of the Doha Round in 2006. Ambassador Bridgewater closed by saying the US would continue to work in good faith with its European allies to make Hong Kong a meaningful meeting, adding that the US proposal should be seen as a once-in-a-generation opportunity for developing nations.

[1](#)4. (SBU) Comment: While Kyerematen would not back either proposal, he reserved his only specific criticisms for the US proposal -- stating US food aid programs could be considered a subsidy that had been left out of the equation. Previously, Ministry of Trade officials -- including the Minister -- have agreed on more than one occasion that food aid should not be regulated under the WTO. The EU's "US food aid is a subsidy" argument has clearly gained traction in Africa, despite its relative insignificance when compared to the large gains that could be had under the US proposal, and the obvious weaknesses of the EU plan. The EU is still by far Ghana's largest trading partner and Ghana does not want to jeopardize its trading relationship with EU markets. End Comment.
BRIDGEWATER